GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:2152
ANSWERED ON:15.03.2017
Hike in Fares
Ajmal Maulana Badruddin

Will the Minister of RAILWAYS be pleased to state:

(a) whether train fares and freight charges have been increased manifold during the last three years;

(b) if so, the details thereof, year-wise;

(c) the reasons for the hectic increase; and

(d) the types and percent of taxes that are imposed on train fare currently?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a) to (d) A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 2152 BY SHRI BADRUDDIN AJMAL TO BE ANSWERED IN LOK SABHA ON 15.03.2017 REGARDING HIKE IN FARES

(a) & (b) The details of increase in Passenger fares and Freight rates during the last three years are as under:-
Passenger Fare:
In 2014-15 Passenger fares for all classes were increased from 25/6/2014 by 14.2% inclusive of 4.2% on account of Fuel Adjustment Component (FAC). However, there was no increase in Second Class (Ordinary) Suburban fares upto a distance of 80 kilometers.
During 2015-16 Passenger fares have not been increased, however, the minimum chargeable passenger fare for Second Class Non-suburban services has been increased from ? 5 to ? 10 to bring it at par with the rate of Platform tickets from 22.11.2015. The Flexi fare system has been introduced in Rajdhani/Duronto and Shatabdi trains from 09.09.2016. Under this system, the base fare increases by 10% with every 10% of berths sold subject to maximum prescribed limit of 1.5 times in classes Second Air Conditioned, Sleeper, Second Sitting (Reserved), Air Conditioned Chair Car and 1.4 times in Air Conditioned 3-Tier. From 01.01.2017, it has been decided to allow 10% rebate in basic fare on vacant berths/ seats after preparation of first chart in all trains including Rajdhani, Shatabdi and Duronto trains on an experimental basis for six months. Provision of Tatkal quota has been reduced in flexi fare trains from maximum 30% to 10% of the total berths availability. Apart from above, from 20.12.2016 discounted fare has been offered for the passengers of Jaipur-Ajmer and Ajmer-Jaipur in 12015/12016 New Delhi-Ajmer Shatabdi Express and for the passengers of Bengaluru City-Mysuru and Mysuru-Bengaluru City in 12007/12008 Chennai Central − Mysuru Shatabdi express on an experimental basis for a period of six months.

Freight:
During 2014-15 Freight rates for all commodities were increased from 25/6/2014 by 6.5% inclusive of 1.5% on account of Fuel Adjustment Component (FAC).
During 2015-16 the Freight rates were increased by 10 percent along with rationalization in distance slabs. However, while there was no increase in freight rates in case of Salt for human consumption, the increase in case of Coal, Cement, Iron Ore Steel, Iron Ore and Petroleum products was lower due to reduction in classification of these commodities. Recently, classification of Coal & Coke has been rationalized from Class-145 to Class-145A along with rationalisation of distance slabs from 24.08.2016. The Coal Terminal Surcharge (CTS) has also been levied at the rate of ? 55/- per tonne at both loading and unloading terminal over and above the Base Freight Rate of Class-145A for the distance beyond 100 kms. This rationalization has resulted in reduction in rates on long leads due to reduction in distance slabs beyond 700 km. For example the percentage reduction in freight rates for distance between 1501 to 2000 km is in the range of 4% to 13%, while beyond 2000 km the reduction is in the range of 9% to 15%.
The Government has initiated various freight rationalisation measures which have resulted in decrease in freight rates. Besides, various other administrative measures have also been taken to promote 'Ease of doing business'. Some of these steps are as under:
1) Withdrawal of Port Congestion Charge from 13.04.2016.
2) Extension of Automatic Freight Rebate scheme for traffic loaded in empty flow direction upto 31.03.2017.

3) Withdrawal of Busy Season Charge for traffic loaded in BCN group and BCNHL wagons w.e.f. 01.05.2016 till 30.06.2016.

4) Withdrawal of dual freight policy for iron ore w.e.f. 10.05.2016.
5) Re-introduction of short lead concession and reduction of minimum distance for charge from 125 km to 100 km w.e.f. 15.07.2016
6) BCN group permitted for two point booking and mini rake w.e.f. 15.03.2016.
7) Distance for mini rake increased from 400 km to 600 km w.e.f. 15.03.2016.
8) A liberalised policy with delegation of power to Zonal Railways introduced for two point booking of covered wagons in which any two stations within a distance of 200km in busy season and 400km in lean season have been permitted for two point booking w.e.f. 22.07.2016.
9) Rationalisation of Merry-Go-Round (MGR) system w.e.f. 01.04.2016, which has led to reduction in freight rate to the extent of 80%.
10) Proliferation of Roll-on Roll-off (RORO) service launch on ECR from 25.05.2016 and subsequently on all Indian Railways.
11) Permission to notify Group I and Group II station/ goods sheds as CRTs for lift on-lift off operations w.e.f. 12.07.2016.
12) Charging of commodities for transportation by containers has been liberalised. 43 additional commodities de-notified for charging at FAK rates w.e.f. 02.09.2016.
13) Guidelines for Station to Station Rate policy issued on 29.09.2016.
14) Class of various commodities has been rationalized and new commodities have been added in Goods Tariff.
15) Instruction for movement of HSD Oil in BTPN rakes from Numaligarh refinery siding (NRSR) to Parbatipur, Bangladesh has been issued w.e.f. 13.03.2016.
16) The system of transportation to Bangladesh through 'Dump' and 'load adjustment' has been discontinued.

17) Withdrawal of levy of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/ Benapole.
18) Weighment of Standard Bagged consignment policy has been rationalized.
19) Discount of loading of bagged consignment in open and flat wagons w.e.f 24.10.2016.

(c) There has been substantial increase in the operating cost of the Railways over the past few years. Rajdhani/Duronto/Shatabdi trains are highly prestigious trains with better facilities in train service, speed and punctuality, etc. and highly popular and preferred over other trains on the route. Therefore, Rajdhani/Duronto and Shatabdi trains have been taken for flexi fare system.
(d) Service Tax equivalent to 4.50% of the total fare is being levied in First Class and all Air Conditioned classes of travel.

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